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TAGS: [PREL](#) [AORC](#) [KPAO](#) [PTER](#) [UNSC](#) [EUN](#) [RS](#) [CA](#) [UK](#) [FR](#) [NO](#)  
SUBJECT: PROMOTING SUPPORT FOR UNSCR 1540 VOLUNTARY FUND

REF: A. EXPERTS INPUT -- VOLUNTARY FUND  
[B.](#) USUN 769  
[C.](#) BERLIN 1412  
[D.](#) EMAIL 9/16 WUCHTE/GORDON -- REPLY LAVROV PROPOSAL

SENSITIVE BUT UNCLASSIFIED -- PLEASE PROTECT ACCORDINGLY

[11.](#) (U) This is an action request for Moscow, P3 Embassies (London and Paris), the European Union Council and Commission, which participate in the G8 Nonproliferation Directors Group (NPDG), as well as Norway -- see paras 7 and 10 to be left as non-papers. For USUN, see para 12, for Ottawa, see para 13, and Moscow see also para 14.

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BACKGROUND  
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[12.](#) (U) United Nations Security Council Resolution (UNSCR) 1540 was adopted in April 2004, and has served as an important new international standard for all States regarding the establishment of controls on chemical, biological, and nuclear weapons, related materials, and their means of delivery. UNSCR 1540 has thus become a critical component of international efforts to prevent terrorists and other actors from obtaining WMD-related materials. Much of the initial effort of the Security Council's 1540 Committee was organizational, e.g., agreeing on rules of procedure, selecting its eight independent experts, and agreeing on how it should carry out its mandate. Since then, the Committee has spent much of its time encouraging States to submit country reports detailing the steps they have taken or intend to take to implement the myriad provisions of UNSCR 1540 and reviewing such reports.

[13.](#) (SBU) UNSCR 1810 extended the 1540 Committee's mandate to 2011, requested the 1540 Committee consider options for developing and making more effective existing funding mechanisms, and directed the Committee report to the Council no later than December 31, 2008. The report was delivered on March 31, 2009, to the UN Security Council. But for a lack of funding, the Committee is now well positioned to fulfill its mandate.

[14.](#) (SBU) To date, the United States, European Union, and Norway are the primary states that have offered to donate funds to resource 1540 Committee activities. There have been 5 other less significant donors (Denmark, Andorra, Spain, UK, and New Zealand) to the current UN Office of Disarmament Affairs Trust Fund, the identified source of funds to support 1540 Committee activities, despite efforts to generate more robust resourcing as the scope of activities increased.

[15.](#) (SBU) Many States have requested assistance to enable

them to implement (and report on) Resolution 1540. While many other States and international organizations have come forward to offer such assistance, the overall response has been slow in meeting the capacity building needs identified through contributions and outreach. Since this process began, the 1540 Committee has reported on the need to intensify assistance efforts and has participated in a series of workshops to understand emerging assistance needs. Based on discussions with Committee member states during deliberations on the Committee's renewal in 2008, the United States proposed that the Committee have access to funds it could deploy to: 1) help states ascertain their own needs with regard to identifying proliferation risks; 2) help states create mechanisms to prevent and/or interdict the transfer of WMD in or through their territories; and 3) help states with bilateral or multilateral programs designed to stem attempted transfers and capture and punish violators.

**¶6.** (SBU) On September 30, the U.S. proposed at the UN establishing a 1540 Voluntary Fund to assist with the resolution's implementation. Such a fund would complement existing U.S. efforts to combat proliferation by facilitating the provision of direct technical assistance by the Committee to states that have the will but not the capacity to implement 1540 and are not receiving assistance from the U.S. or other donors, thereby helping close loopholes that encourage attempts to move prohibited WMD and associated delivery system items through weak links in the global export control architecture.

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OBJECTIVES  
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**¶7.** (U) Washington requests action Posts emphasize the following objectives and leave as a non-paper the following points. Post is also requested to provide a copy of Ref A, which are possible projects the 1540 Committee Experts Panel has identified for a new 1540 voluntary fund:

-- The United States believes a strengthened 1540 regime must include increased stakeholder participation in the 1540 Committee by a broad community of assistance-providers.

-- In furtherance of this goal, the United States has proposed a 1540 Voluntary Fund be established under UN auspices to 1) help states ascertain their own needs in regard to identifying proliferation risks; 2) help states create mechanisms to prevent and/or interdict the transfer of WMD in or through their territories; and 3) help states sustain mature bilateral or multilateral programs designed to stem attempted transfers and capture and punish violators. We are informally providing more detailed ideas on the proposed fund's modalities.

-- We recognize from the Comprehensive Review that the existing 1540 assistance mechanism needs better alignment with both providers of assistance and those seeking to build capacity, but we must stress that only a new voluntary fund will permit the broad political buy-in to overcome the myth of &western8 or &northern8 imposition of terms regarding nonproliferation. Moreover, only a new voluntary fund will permit the flexibility necessary to implement the nonproliferation goals specified in 1540 in a timely fashion.

By definition, the fund currently maintained by the Office of Disarmament Affairs is slotted, in part, for 'disarmament8 issues. This creates unnecessary confusion that detracts from the implementation of resolution 1540's nonproliferation goals.

-- The United States is prepared to make an initial contribution to a 1540 voluntary fund and to encourage other countries, Intergovernmental Organizations (IGOs), and Nongovernmental Organizations (NGOs) to offer matching, robust contributions.

-- We recognize that &robust8 contributions will vary case-by-case, but will encourage all member states to

participate, particularly those located in Latin America, the Middle East, and Asia, along with the traditional Western European and Others Group (WEOG) donor countries.

-- Establishing such a fund with global donor participation would empower the 1540 Committee with appropriate resources to assist requester states in implementing the resolution. As Pakistan noted at the recent ASEAN Regional Forum (ARF) meeting on Nonproliferation and Disarmament, some countries prefer to work more directly through the multilateral framework of the UN rather than bilaterally. The fund provides such a mechanism for developing and carrying out appropriate projects.

-- The 1540 Voluntary Fund is not intended to duplicate ongoing capacity-building programs, whether bilateral or multilateral. Instead, it would allow the UN to have a complementary ability to facilitate and organize assistance. The fund is not intended to develop more workshops and outreach, but to address individual country needs. Eventually, the fund could enable larger-scale projects through UN-led coordination, an extended G8 Global Partnership, or other means.

-- Once we receive your input, we plan to introduce the attached draft letter and illustrative list of Committee Experts Panel inputs as a joint U.S.-Russian proposal for achieving a voluntary fund consistent with Russia's proposal for bilateral cooperation on UNSCR 1540. Support for establishing this fund is consistent with our recommendation to Russia to promote multilateral cooperation through U.S.-Russia bilateral efforts.

-- For Moscow only: Underscore with Moscow that we would welcome joint U.S.-Russian cooperation in achieving a voluntary fund consistent with Russia's proposal for bilateral cooperation on UNSCR 1540 as suggested in the March 2009 Lavrov-Clinton letter. Support for establishing this fund is consistent with our recommendation to promote multilateral cooperation through our bilateral efforts. Ultimately, we wish to introduce the voluntary fund among the G-8 as a U.S.-Russia bilateral initiative.

--For P3 and EU Council/Commission only: We wish to hold consultations on long-term Committee outreach funding before the end of the year as discussed in Berlin regarding the next EU Joint Action to support UNSCR 1540 (see Ref A para 7). We are introducing this proposal simultaneously with Russia as we seek inputs.

-- For Paris only: France's suggestion to hold a 1540 donor conference in proximity to the Nonproliferation Treaty (NPT) Review Conference has merit and would be helpful in focusing on more funding. We will work with France to make this a success. Also, we draw attention to the complementary relationship between G-8 Global Partnership commitments and the 1540 Voluntary Fund as explained in the attached nonpaper.

-- For Oslo: As proposed in March 2007, we are prepared to work further with Norway on its suggestion to establish a like-minded group of friends on UNSCR 1540. Our emphasis would be to build on the Norwegian recommendation to encompass both assistance providers as well as those requesting assistance.

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REPORTING DEADLINE  
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¶8. (U) Posts are requested to deliver the above points NLT the week of December 4 and report results NLT December 11, 2009.

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NON-PAPERS  
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¶9. (SBU) Please provide the texts in para 10 below as a non-paper draft letter from U.S. and Russia for recipients,

comments. (Note to Posts -- please underscore. Once we hear back from recipients, and receive agreement from Russia with whom we are consulting separately, we intend to share this non-paper as a U.S.-Russia initiative with all G8 countries, the European Union, and Norway. End note to Posts) This is not intended to be an exclusive group. Rather, these are the major stakeholders who have contributed either directly or in-kind to the 1540 Committee infrastructure and/or outreach to date.

**¶10. (U) BEGIN TEXT OF NON-PAPER: EXPLAINING THE VOLUNTARY FUND**

As you know, on 28 April 2004, the Security Council unanimously adopted resolution 1540 (2004) under Chapter VII of the United Nations Charter, obliging States to refrain from supporting by any means non-State actors from developing, acquiring, manufacturing, possessing, transporting, transferring or using nuclear, chemical or biological weapons and their delivery systems. To this end, Resolution 1540 imposes binding obligations on all States to establish domestic controls to prevent the proliferation of nuclear, chemical, and biological weapons and their means of delivery, including by establishing appropriate controls over related materials. Recognizing the extent of the effort that implementing the resolution requires, the Security Council invited States & to offer assistance, as appropriate, in response to specific requests to the States lacking the legal and regulatory infrastructure, implementation experience and/or resources<sup>8</sup> in order to fulfill the provisions of the resolution.

Many States have requested such assistance, and while many other States and international organizations have come forward to offer such assistance, the overall response needs better alignment among both providers of assistance and those seeking to build capacity. Since this process has begun, the Committee established pursuant to UNSCR 1540 has participated in a series of meetings to understand emerging assistance needs. The United States is strongly committed to establishing a voluntary fund to help provide the technical support and expertise to support implementation of Resolution ¶1540. We will seek to make a meaningful contribution to such a trust fund once it is established, provided it contains effective transparency and accountability mechanisms. We are prepared to work with the 1540 Committee and others to make that happen.

The 1540 Committee agreed March 27, 2009 on a Chairman's paper (available on the UN 1540 Committee homepage) that outlines how to use the existing UN funding mechanisms and the current basis for coordinating donor fund activities. The United States believes the low number of contributors to the &UN Trust Fund for Global and Regional Disarmament Activities<sup>8</sup> stems from its broad focus and lack of direct ties to UNSCR 1540. An entirely separate 1540 Voluntary Fund was proposed at the Comprehensive Review. The United States sees this fund as the best complement to fully support the role of the 1540 Committee. The 1540 Committee and all contributors to the Fund could provide input into the choice of projects supported by such a Voluntary Fund and their implementation. While the 1540 Voluntary Fund would seek to work on the basis of consensus, no State or other contributor could veto the use of any funds other than its own. The United States has determined that this would be a more effective mechanism than the UN Trust Fund for Global and Regional Disarmament Activities managed by UN Office of Disarmament Affairs. That latter fund is suitable for coordinating outreach, but is not structured or staffed for the representative projects aimed at facilitating assistance outlined in inputs from the Committee Experts Panel ) this list is attached.

Although the specific operation of any such 1540 Voluntary Fund would require careful discussion by the Committee, the principles to guide that discussion should include: 1) all contributions would be voluntary; 2) any State or other body

may submit a proposal or contribute to the fund; 3) the Fund would consider the proposals on a case-by-case basis and use its existing tools, such as the matrix and assistance template, or other mechanisms it deems appropriate, in its deliberations on the proposed projects; 4) all contributors and representatives of the Fund with the 1540 Committee could provide input into the choice of projects supported by the Voluntary Fund and their implementation as appropriate; 5) while the Committee would seek consensus, no State or other contributor could veto the use of any funds other than its own; 6) projects identified through the Voluntary Fund for further consideration could focus on increasing the capacity of States to build their infrastructure to implement the obligations of the resolution, particularly in areas not covered by existing assistance projects and that, where appropriate, also promote economic and social development of the project participants; 7) the Committee would encourage first projects that come from those offering and those requesting assistance as already identified to the 1540 Committee; 8) the Committee would emphasize transparency, inclusion, and fairness in its deliberations and decision-making in supporting projects for the fund; and 9) the Committee would look to existing UN financial mechanisms and requirements, such as those used by other UN Trust Funds, to manage financial and other administrative aspects of the fund, permitting the Committee to focus on strategic and other policymaking matters for the fund.

The United States and Russia believe that by working together, contributors and those seeking assistance can avoid duplication and other inefficiencies, while devoting more time and resources to their most critical concerns.

Below are frequently asked questions about various aspects of the issue that perhaps are not fully understood.

**¶1.** Why are a more robust Committee role and resources needed as States more finely tune requests for assistance?

A: From existing 1540 work, Committee Experts estimated that there are about 15 non-Organization for Economic Cooperation and Development (OECD)/developing states with a biological infrastructure of interest, 50 with chemical infrastructure, about 50 with a nuclear infrastructure, and about 100 with some relevant trade infrastructure. These states would be most in need of capacity-building through the Committee's assistance mechanisms. The cost to move a typical lower middle income country with an extant export control infrastructure to a sustainable and enforceable system is several million dollars and frequently outstrips its dedicated national budget resources. This estimate does not include associated requirements for border security programs and related equipment. Given the disproportionate impact of the global economic crisis on lower middle income countries, additional resources are required to conduct the required activities in terms of customs, physical security, and legislation, as well as other critical areas.

**¶2.** How will the Voluntary Fund be structured to complement the current UN Office of Disarmament Affairs (ODA) fund?

A: We view the Piracy Fund, Counterterrorism Executive Directorate (CTED) Fund, and/or Democracy Fund as relevant models for aspects of the structure of the 1540 fund and will quickly verify the most appropriate vehicle, as proposed in the 1540 Comprehensive Review. Building on our existing G8 coordination, we will reach out to interested countries to create a like-minded group to focus on issues regarding establishment, management, and coordination as originally proposed by Norway in 2007. We envision that the fund will be established and managed under UN auspices but with a board outside of the Committee itself. The 1540 Voluntary Fund would be a &multi-donor trust fund.<sup>8</sup>

**¶3.** How much money would the U.S. provide to the Voluntary Fund? For how long?

A: We have stated that we will provide a &meaningful contribution<sup>8</sup> for the Fund's start-up from the United States in the coming year. We expect the fund would exist so long as the 1540 Committee continues to exist.

¶4. What is the difference between the G-8 Global Partnership and the 1540 Voluntary Fund?

A: The G-8 Global Partnership (GP) is a ten-year, \$20 billion initiative in which 22 countries and the European Union seek to limit the spread of weapons of mass destruction. In its initial years, the GP focused on chemical weapons destruction and nuclear submarine dismantlement in Russia and Ukraine. In 2008, the GP agreed to expand its focus to WMD issues worldwide. The United States believes that under an expanded G-8 Global Partnership, partners should count any funds spent on any activities supporting the principles established at the 2002 G-8 Kananaskis Summit, including 1540 Voluntary Fund commitments, toward their GP pledges. In 2010, the partners expect to discuss extending the GP beyond its current 2012 mandate, and the United States believes 1540 Voluntary Fund commitments should be included as part of any pledges for GP extension as well.

END TEXT OF NON-PAPER

¶11. (SBU) USUN only. The Committee only reached consensus on a robust Program of Work and the commitment to conduct a Comprehensive Review by the end of 2009 because of USG intervention during our Presidential Inauguration Weekend to insist on working groups to get delegations more involved beyond the panel of experts. Both agreements finally provide the basis to implement a funding plan for assistance. The four Committee-led working groups on the monitoring of implementation, the provision of assistance, cooperation among regional and intergovernmental organizations, and the coordination of transparency and outreach have been very successful. The 1540 Committee, however, is still not well positioned to obtain new funding streams quickly; there are staffing shortages in New York (both in national delegations and in the Secretariat) that have delayed full-time implementation solely through UN delegations. See Ref B.

12 (U) Requested USUN action:

-- Indicate that, as a next step, the Committee (along with the 8 experts) should review the current program of work to address integration of greater long-term funding. (Note: Per Ref B we do not believe that a sufficiently detailed cost analysis has been provided by USUN on the staffing shortages addressed by UN ODA. End note.)

-- Please submit to Washington recommendations on integrating long-term funding.

¶13. (SBU) For Ottawa only: (Per Ref C) We are committed to an effective G8 1540 process with a follow on expert-level meeting among G8 1540 referents before the Nuclear Security Summit in April 2010. We plan to introduce to the G8 the fund proposal as a joint U.S.-Russian cooperation in achieving a voluntary fund consistent with Russia's desire for bilateral cooperation on UNSCR 1540. Joint support for establishing this fund is consistent with our recommendation to Russia to promote multilateral cooperation through U.S.-Russia bilateral efforts. The United States looks forward to cooperating with Canada.

¶14. (SBU) For Moscow only: Per Ref D, we responded to FM Lavrov's March 2009 letter proposing bilateral cooperation on UNSCR 1540 by indicating our desire to promote multilateral cooperation through our bilateral efforts. Post should seek Russia's agreement on introducing the voluntary fund among the G-8 as a U.S.-Russia bilateral initiative, seek Russian inputs to our draft letter in para 10, and pulse the GOR's willingness to make a contribution to the voluntary fund if and when it is established.

¶15. Further questions or information on UNSCR 1540 can be directed to Tom Wuchte, U.S. 1540 Coordinator, at (202-736-4275, WuchteTA@state.gov). Department appreciates Post's assistance.

CLINTON